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ELBIT SYSTEMS JOINT VENTURE WITH ROCKWELL COLLINS, VISION SYSTEMS INTERNATIONAL (VSI), AWARDED $75.6 MILLION CONTRACT FROM BOEING FOR FIRST FULL RATE PRODUCTION LOT OF JOINT HELMET MOUNTED CUEING SYSTEM (JHMCS)

Haifa, Israel, August 10, 2004- Elbit Systems Ltd. (NASDAQ: ESLT) today announced that Vision Systems International , LLC (VSI), Elbit Systems' joint venture with Rockwell Collins (NYSE: COL), has been awarded a $75.6 million contract for over 300 JHMCS systems from Boeing, St. Louis. This award is the first Full Rate Production (FRP) of JHMCS following four Low Rate Initial Production (LRIP) lot deliveries.

Under the contract, VSI will provide JHMCS display systems, spares, technical support and support equipment for the Full Rate Production (FRP) lot 1 acquisition. This procurement fills additional U.S. government domestic requirements for the USAF and Air National Guard F-15, F-16 and USN F/A-18 platforms as well as Foreign Military Sales (FMS) production commitments for Australia (F/A-18), Finland(F/A-18), Poland(F-16), Greece (F-16) and Switzerland (F/A-18).

Deliveries under FRP 1 will commence in March 2005 and continue through December 2006. This order brings VSI's total JHMCS production quantity to more than 1000 systems with more than 500 systems delivered to date.

JHMCS provides pilots with a "First look, first shot" capability when employed with high off-boresight weapons under high-G conditions. The system allows pilots to lock-on and fire at enemy aircraft without having to maneuver their aircraft into position. The pilot needs only to point his head at the target and weapon systems are automatically cued to the target. JHMCS is also highly effective when used in air-to-ground target engagements and was used extensively in this manner in support of Operation Iraqi Freedom. In both air-to-air and air-to-ground modes, targeting cues and aircraft parameters are displayed on the pilot's visor.

VSI President Ken Stansell stated that" The transition to full rate production for JHMCS demonstrates the high level of confidence which both the U.S. Government and Boeing have in VSI's ability to deliver a high performance, quality product on-time". He further commented that " This production program

milestone for JHMCS, combined with our continuing design work on an advanced binocular HMD for the F-35 JSF program and our ongoing production deliveries of the DASH (Display and Sight Helmet), clearly illustrates that VSI is the supplier of choice for Helmet Mounted Display Systems for fixed-wing fighter aircraft."

Joseph Ackerman, President and CEO of Elbit Systems, commented :"This new contract from Boeing for full rate production of JHMCS further reinforces VSI's leading role in providing cutting-edge Helmet Mounted Systems to U.S. and international front-line fighter aircraft, and is a testament to the successful cooperation between Rockwell Collins and Elbit Systems."

VSI was established in 1996 as a joint venture between EFW Inc., a subsidiary of Elbit Systems and Rockwell Collins to develop, manufacture and support fixed wing HMDs worldwide. With a heritage of more than 35 years of design and development experience in display systems, VSI today is the leading supplier of fixed wing HMDs.

About Elbit Systems

Elbit Systems Ltd. is an international defense electronics company engaged in a wide range of defense-related programs throughout the world, in the areas of aerospace, land and naval systems, command, control, communications, computers, intelligence, surveillance and reconnaissance ("C4ISR"), advanced electro-optic and space technologies. The company focuses on the uprading of existing military platforms and developing new technologies for defense and homeland security applications.

For more about Elbit Systems, please visit our website at ***www.elbitsystems.com***

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